

17th September, 1943.

B.S. 1943/9A.

NEW SOUTH WALES

BUSINESS STATISTICS - MONTHLY DIGEST, INCLUDING WHEAT REVIEW.

SEPTEMBER, 1943.

GENERAL.

The problem of outstanding complexity and urgency is that of food production on a greatly expanded scale. Among measures already adopted are the provision of financial inducements (e.g. butter subsidy, fixed pig meat prices, vegetable contracts) to rural producers to increase production, the provision of mechanical aids, and the curtailment of supplies to civilians so that more may be available for the services and for export to Britain. Seasonal conditions are propitious but the shortage of rural manpower is acute.

The latest statistics are of the same tenor as recent months. They reveal a further small increase in employment, a high degree of commercial activity - notwithstanding a decline of civilian business relatively to last year - and a strong investment tone.

PUBLIC FINANCE.

Commonwealth. Expenditure amounted to £56.1 m. in August, 1943, including £47.3 m. on war. In the two months ended August, 1943, an expenditure of £106.5 m. included £37.7 m. on war, which was £17.1 m. more than in the same period last year.

Most of the increased expenditure was from revenue, which gained substantially from tax deductions from wages, etc. in July (last year deductions did not resume until August) as well as the higher rates of tax levied since April, 1943.

COMMONWEALTH EXPENDITURE.
(Excluding Income Tax reimbursed to States)
£ millions.

Service.	Month of August.		Two months ended August.		
	1942	1943	1942	1943	Increase 1943 on 1942
War (1939) from -					
Revenue	5.0	12.5	11.5	24.6	13.1
Loans	34.2	34.8	59.1	63.1	4.0
Total War	39.2	47.3	70.6	87.7	17.1
Other Revenue Services	9.0	8.8	18.5	18.8	.3
Total All Services	48.2	56.1	89.1	106.5	17.4

STATE GOVERNMENT ACCOUNTS.

In the two months ended August, 1943, N.S.W. Government expenditure exceeded revenue by £1,080,000. Compared with last year this represents a retrogression of £469,000, but the comparison is obscured by a change in arrangements relating to income tax receipts which are now obtained from the Commonwealth under the

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uniform tax scheme. Omitting from account a decline of £579,000 from income tax, there was a net improvement of £110,000 in the balance of other items; viz., Consolidated Revenue (excluding income tax) £84,000 and Business Undertakings £172,000, less a retrogression of £146,000 on Main Roads in which revenue decreased by £68,000 and expenditure increased by £78,000.

N.S.W. GOVERNMENT ACCOUNTS.

Two months ended August.

Accounts	1942	1943	Increase or Decrease (-)
	£000	£000	£000
Revenue - Consolidated Fund	3,768	3,220	(-) 548
∅ Business Undertakings	5,637	6,560	923
Main Roads	507	439	(-) 68
Total	9,912	10,219	307
Expenditure - Consolidated Fund	5,892	5,839	(-) 53
∅ Business Undertakings	4,287	5,038	751
Main Roads	344	422	78
Total	10,523	11,299	776
Excess of Expenditure	611	1,080	469

∅ Railways, Trams & Buses, Road Transport and Traffic Fund, and Sydney Harbour.

PRIVATE FINANCE.

Private Trading Banks: Liabilities and Assets in Australia. From June to July, 1943 deposits declined by £2.2 m. and cash reserves (including Treasury Bills) by £1.6 m.; advances increased by £3.6 m. and Special Wartime Deposits by £0.4 m.

Deposits have declined by £8.1 m. since the peak in March, 1943 while advances have increased by £15.4 m. from the low point in that month. These movements are probably associated with seasonal influences, viz., heavy tax payments and seasonal decline in receipts from primary industries.

NINE TRADING BANKS - AUSTRALIA

Liabilities and Assets within Australia.

£ million.

Av. of Weekly Figures	Deposits			Coin Notes etc. & Cash at C'wealth Bank.	Treas- ury Bills	Govt. & Municipal Secur- ities.	Special Wartime Deposits with C'wealth Bank	Advances, Discounts etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)	Total					
1939-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
1940 "	210.3	135.1	345.4	31.1	38.3	43.7	-	289.9
1941 "	204.9	155.1	360.0	33.3	36.1	61.9	-	283.7
1942 "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
1943 "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
1942-March	197.5	188.9	386.4	38.5	47.7	56.4	34.9	263.3
May	192.8	193.3	386.1	39.5	38.6	56.3	37.0	269.9
June	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
July	190.3	188.6	378.9	36.4	38.4	56.3	36.3	269.9
1943-March	197.1	262.3	459.4	44.8	82.7	63.2	89.2	234.2
May	196.3	257.8	454.1	33.3	55.3	74.1	102.0	245.8
June	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
July	203.2	248.1	451.3	35.2	47.4	75.6	103.3	249.6

NOTE ISSUE. Notes held by the public amounted to £126.1 m. in July, 1943, being higher than last month by £2.7 m. and a year ago by £37.7 m.

STOCK EXCHANGE.

Trading has been more active and values higher following revision of prices of eligible shares on 9th September.

The Statistician's Index of Share Prices has not yet been computed for August. The recent trend in share prices is, however, shown by the Index covering 34 ordinary shares compiled by the Sydney Stock Exchange Research Bureau; this Index has risen from 133.4 on 3rd Aug., to 135.0 on 8th September and 135.7 on 14th September.

SHARE PRICE INDEX.

(N.S.W. Government Statistician)

Month	34 Active Shares	Complete Index.
1939-Aug.	182	174
1941-Sept.	191	175
1942-June	157	147
-July	163	150
1943-May	196	179
-June	196	180
-July	196	181

COMMERCE.

The Index of Bank clearings (Sydney) was 155 in July, 1943, as compared with 130 in July, 1942. A decline in the amount of clearings from June to July, 1943 is a seasonal tendency, comparable in magnitude with a similar decline last year.

Curtailment of civilian supplies has caused a diminution in wholesale trade in items subject to Sales Tax, also in retail trade for which the Index of value of sales by large Sydney stores declined from 170 in June, 1942, to 160 in June, 1943. In total, however, wholesale trade has expanded as a result of increased sales of goods exempt from tax, which include sales to governments.

Period.	Bank Clearings (Sydney)		Wholesale Trade Sales (N.S.W.)	Retail Trade, Sydney : Index of Value of Sales. (1931=100).	Real Estate Transactions.	
	Amount	Index No. (a) ϕ			Mortgages	Sales.
	£m.		£m.	Index No.	£m.	£m.
1939	932	100	200	146	22.4	32.2
1941	1,139	120	220	178	15.6	33.2
1942	1,249	131	239	169	8.0	21.6
1942-May	98.9	125	20.7	192	0.5	1.2
June	116.6	133	18.9	170	0.6	1.3
July	99.7	130	19.2	154	0.6	1.5
1943-May	123.0	155	19.6	173	0.4	1.2
June	132.6	163	20.9	160	0.4	1.4
July	114.3	155	-	-	0.4	1.8

ϕ Three months ended month shown.

(a) Av. corresp. period 1926-30 = 100. The effects of special Government transactions are eliminated from the Index.

EMPLOYMENT IN N.S.W.

Estimates of the number of salary and wage earners (excluding rural workers and household domestics) employed in N.S.W. in June, 1943, were shown in B.S. 1943/8 B & C. The detailed tables there shown are not repeated.

The estimates indicated that in June, 1943, as compared with the preceding month, there was an increase of 2,200 in the employment of females and a decline of 500 in the employment of males. At the end of June the estimated totals were: males 531,500 and females 243,400.

Indicators of employment in certain broad industrial classifications suggest that the increase in female employment occurred in founding, engineering, aircraft, etc., factories (approx 500), clothing factories (200), and non-factory occupations, mostly governmental (1,500), and that the decline in males was in founding, engineering, aircraft, etc., and land transport.

Plans for the transfer of a further 2,000 single women from Sydney retail stores to more essential work have been announced by the Deputy Director General of Manpower. The transfer will be effected over a period of three months and replacement by part time workers will be encouraged. It has also been announced that a special section will be established in manpower offices in each State to deal with matters concerning the rehabilitation of discharged service men and service women.

PRIMARY & EXPORT INDUSTRIES.

Seasonal Conditions. Spring prospects are satisfactory, having been enhanced by light to moderate rains in the first half of September. All divisions of the State have received some benefit.

Water in the Metropolitan Board's storages is greater than ever before. This satisfactory position is of especial importance to market and home gardeners in view of the urgent need for maximum vegetable production.

The rainfall Index indicates that the August rains were 56% above normal in dairying districts and slightly above normal in sheep and wheat districts.

RAINFALL INDEX - N.S.W.

Weighted average ratio of actual to normal rainfall.

Normal rainfall each month = 100.

Period	Sheep Districts	Wheat Districts	Dairying (Coastal) Districts
Year 1942	111	110	97
1943 - Jan.	141	138	75
Mar.	15	17	44
May	124	118	216
June	51	53	25
July	67	83	6
Aug.	105	103	156

Meat. The distribution of bacon and ham in all States was brought under control on 6th September and, for the present, producers and wholesalers are not permitted to supply for civilian use. At the same time the price of baconer pigs was increased, 1st and 2nd grade by 1d. lb. and inferior grades by $\frac{1}{2}$ d. lb. A substantial increase in production is needed to provide regular supplies of bacon and ham for civilians.

Wheat. Wheat for stock and poultry feed has been sold in truck lots at prices per bushel of 3s. 6 $\frac{3}{4}$ d. bagged and 3s. 3 $\frac{3}{4}$ d. bulk, delivery at ports. This represented a concession of 6d. per bushel, the cost being borne by the Commonwealth Government. Under new arrangements the concession prices are quoted for wheat delivered at buyers railway, thus reducing the freight charges payable by producers such as pig farmers in dairying districts.

Vegetables. Statistics released by the Acting Commonwealth Statistician indicate that there has been a considerable expansion during the war in the farm production of vegetables for human consumption. The area harvested on farms in Australia was about 236,000 acres in pre-war years, 254,700 acres in 1940/41, 258,700 acres in 1941-42 and 330,600 acres in 1942-43. The goal set for 1943-44 calls for the harvesting of 467,800 acres, which is almost double pre-war and 41% more than the 1942-43 acreage.

/The following.....

The following statement shows the acreages of the more important vegetables in Australia and N.S.W. in 1942-43, also increases in Australia from pre-war to 1942/43 and the projected increase in 1943-44. Potatoes, the most important crop, represented 42% of the Australian acreage in 1942-43. The acreage of blue peas, next in importance, was more than four times the pre-war average. The goal set for 1943-44 involves a substantial increase in nearly all vegetables but by far the greatest increase is sought in green peas.

VEGETABLES FOR HUMAN CONSUMPTION GROWN ON FARMS.

Thousands of acres.

Vegetable	Australia.			N.S.W.	
	Harvested 1942/43	Increase.		Harvested 1942/43.	% of Australia.
		Average 1935/1939 to 1942/43	1942/43 to 1943/44 goal.		
Potatoes	140.0	20.4	34.1	24.5	17
Blue Peas	33.4	25.6	8.6	0.8	2
Green "	32.7	48.6	47.3	20.2	62
Pumpkins	27.3		2.7	6.8	28
French Beans	13.7		4.3	6.0	44
Navy "	6.2		8.8	2.8	45
Tomatoes	16.9		8.1	3.9	23
Swede Turnips	12.1		(-) 0.1	2.8	23
Carrots	5.6		9.4	1.2	34
Cabbages	9.0		4.5	2.5	28
Onions	8.4		1.6	1.1	13
Other	25.3		7.9	7.8	31
Total	330.6	94.6	137.2	81.1	24.5

The State totals for vegetables of all kinds harvested on farms for human consumption in 1942-43, in order of importance, were: Victoria 93,400 acres, N.S.W. 81,100 acres, Tasmania 75,700 acres, Queensland 47,500 acres, South Australia 18,200 acres, Western Australia 14,600 acres.

Coal. Because of depletion of coal stocks, the use of gas for domestic purposes in Melbourne has been restricted since 6th September, 1943, to 4 hours on weekdays, 3½ hours on Saturdays and 5 on Sundays. The Victorian railways imposed restrictions on passenger, goods and livestock traffic on 8th September.

DAIRY INDUSTRIES.

Butter produced in N.S.W. factories was 3.3 m. lbs. in July, 1943. The production in each month since March, 1943, was much lower than the corresponding production in recent years.

BUTTER PRODUCED - N.S.W. FACTORIES.

000,000 lb.

Period.	Average 1935/37	1940.	1941.	1942.	1943.
Year ended June.	121.1	112.0	103.7	85.1	93.8
Month - March	14.0	9.6	11.7	10.1	8.6
April	10.9	9.2	8.7	8.6	6.1
May	7.7	7.3	6.8	6.8	4.8
June	5.2	5.1	5.2	5.5	3.7
July	6.6	5.0	4.6	5.2	3.3

Pay to suppliers of cream in certain north Coast butter factories in August, 1943, was at the same rate as in June and July, 1943, viz. 13½d. plus 3½d. interim subsidy per lb. of commercial butter. This pay is exclusive of "deferred pay".

WHEAT REVIEW.

The last Wheat Review appeared in B.S.1942/9A - September, 1942.

Through lack of statistical data this review is limited in the main to an examination of the position of wheat stocks and production in the four principal wheat exporting countries: U.S.A., Canada, Argentina and Australia.

The most important developments in these countries have been the rapid accumulation of carry-over stocks and vastly increased domestic consumption of wheat as animal fodder (U.S.A. and Canada). Acreages under wheat have been reduced but with favourable seasons in Nth. America there was not corresponding decline in production up to 1942/43.

WHEAT STOCKS.

According to preliminary estimates, wheat stocks held by the four principal wheat exporting countries were 1,707 m. bushels at June/July, 1943. This is slightly more than $2\frac{1}{2}$ times the stocks at July, 1939, and reflects surpluses (in bushels) of 145 m., 327 m., 297 m. and 289 m. respectively, in each of the years 1939-40 to 1942-43.

Against the background of large stocks now held is to be considered the fact that exports from the four countries averaged less than 500 m. bushels per annum in the five pre-war years ended 1938-39.

WHEAT STOCKS^x HELD BY FOUR CHIEF EXPORTING COUNTRIES.

Millions of bushels.

Year	U.S.A. (30th June)	Canada (31st July)	Argentina (31st July)	Australia (30th June)	Total (4 countries)
1934	286	194	118	97	695
1937	83	33	51	53	220
1938	153	24	65	63	305
1939	253	103	230	63	649
1940	284	300	75	135	794
1941	386	480	180	75	1,121
1942	632	424	220	142	1,418
1943(Forecast)	565	688	250	204	1,707

^x U.S.A. & Canada: Figures represent year-end stocks available for export and carryover.

Argentina & Australia: Figures include stocks required for home use until next harvest in November as well as available for export and carry-over.

AREA AND PRODUCTION.

The area and production of wheat in the seasons 1938/39 to 1943/44 are summarised in the following table in respect of the same four countries.

Forecasts for the 1943/44 season are not complete but it is likely that the aggregate area was about 90 m. acres. At this figure the area harvested in all four countries declined by 40 m. acres or 30% between 1938/39 and 1943/44.

In the individual countries for which latest figures are available acreage declined between 1938/39 and 1943/44 as follows: U.S.A. 31%, Canada 34% and Australia 40%. In Canada, however, the acreage was greatest in 1940/41 and the decline from this year was 40%.

Production of wheat did not decline to the same degree as the acreage and, due to exceptionally favourable seasonal conditions in U.S.A. and Canada, production in 1942/43 exceeded that of 1938/39.

AREA AND PRODUCTION OF WHEAT IN FOUR CHIEF EXPORTING COUNTRIES.

Season	U.S.A.	Canada	Argentina	Australia	Total (4 countries)
Area Harvested (million acres)					
1938-39	69.9	25.9	20.1	14.3	130.2
1939-40	53.5	26.8	12.8	13.3	106.4
1940-41	53.3	28.7	15.5	12.6	110.1
1941-42	56.6	22.4	14.3	12.0	105.3
1942-43	51.8	21.6	x 16.4	9.5	99.3
1943-44 (Forecast)	48.0	17.1	ø	8.5	ø
Production (million bushels)					
1938-39	932	360	379	155	1,826
1939-40	751	521	131	210	1,613
1940-41	817	540	299	82	1,738
1941-42	944	315	224	167	1,650
1942-43	981	593	235	156	1,965
1943-44 (Forecast)	835	296	ø	ø	ø

x Area sown, ø Not yet available.

CONDITIONS IN COUNTRIES.

U.S.A. Seasonal conditions for the main (winter) crop to be harvested early in 1943/44 have been less favourable than last year. According to recent forecasts a total harvest of 835 m. bushels is expected in 1943/44 (winter wheat 534 m. bushels and spring wheat 301 m. bushels). This is 146 m. bushels less than in 1942/43.

The outstanding development in the U.S.A. position has been an enormous consumption of wheat as stock feed. The quantity so used in 1942/43 is estimated at no less than 355 m. bushels, representing more than one-third of the large 1942/43 harvest. Heavy sales are also being made for the manufacture of industrial alcohol. Home consumption of wheat has therefore risen substantially and in 1942/43 probably exceeded 1,000 m. bushels.

The decline in stocks resulting from the heavy domestic consumption is estimated at 67 m. bushels in 1942/43.

Trade circles have mentioned that some thought is being given to expansion of acreage so that wheat stocks may be maintained at levels appropriate to the increasing livestock population and the possible requirements of relief shipments to reoccupied territories.

Canada: Policy is directed to the maintenance of the total area under crop of all kinds and the diversion of wheat acreage to other crops (e.g. oats, barley, linseed, grass) needed to increase the supply of animal and poultry products. To this end farmers are being paid 2 dollars for every acre sown to wheat in 1940/41 which is converted to other crops in 1943/44.

Sowings for the 1943/44 harvest are estimated at 17.1 m. acres and the production forecast is 296 m. bushels, a yield of approximately 17 bushels per acre. This represents a reduction of 21% in acreage and 50% in production as compared with 1942/43, when the exceptionally high yield of 27.5 bushels per acre was obtained.

The use of wheat as stock feed has quadrupled during the war and this has been chiefly responsible for an increase in domestic consumption from about 100 m. bushels pre-war to 140 m. bushels in 1941/42 and 166 m. bushels in 1942/43. Main elements in the increased domestic consumption are shown below -

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Wheat used for -	Average 1935/36-38/39	1942/43	Increase or Decrease (-)
	Million bushels.		
Seed	34	22	(-) 12
Livestock	22	89	67
Total on Farms	56	111	55
Alcohol Production	-	5	5
Human Consumption	44	50	6
	100	166	66

Canadian wheat stocks are very large. They increased by 62% as a result as the "bumper" crop in 1942/43.

Argentina.

Though actual figures have not been quoted, anticipations at the beginning of June were that an increased acreage would be sown for harvest in 1943/44. Weather conditions favoured soil preparation, germination and early growth.

Difficulty is experienced in disposing of surplus stock. Brazil is the chief buyer, followed by Spain and Chile. Britain has not purchased Argentina wheat for some time.

Australia.

Under wartime measures operating since 1941/42 the area of wheat grown for grain has been subject to control by the Wheat Industry Stabilisation Board, which registers farms and issues licenses to wheat growers. The acreage allotted to licensed growers is fixed according to the acreage sown in the four years 1937/38 to 1940/41 or according to the rotational system adopted. Apart from this limitation of acreage there has been no compulsory reduction of acreage except in Western Australia where because of heavy stocks acreages in 1942/43 and 1943/44 were compulsorily reduced by one-third as compared with the average in 1937/38 to 1940/41. Growers in Western Australia are paid compensation in respect of the reduced acreage, estimated to cost £550,000 in each year. In other States, however, acreages have declined substantially as compared with the base period, due in part to shortages of manpower and fertiliser.

The area and production of wheat in Australia since 1937/38 are shown below:

AREA AND PRODUCTION OF WHEAT IN AUSTRALIA.

Season	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	Total (Australia)
Area Harvested (million acres)							
1937-38	4.46	2.69	.37	3.16	3.03	.02	13.73
1938-39	4.65	2.75	.44	3.08	3.41	.01	14.34
1939-40	4.38	2.83	.36	2.73	2.97	.01	13.28
1940-41	4.45	2.67	.32	2.56	2.63	.01	12.64
1941-42	3.97	2.76	.35	2.32	2.65	.01	12.06
1942-43	3.03	2.15	.34	2.01	1.75	-	9.28
1943-44 (Forecast)	2.70	1.89	.35	1.75	1.63	-	8.32
Production (million bushels).							
1937-38	55.1	48.2	3.8	43.4	36.2	.5	187.2
1938-39	59.9	18.1	8.6	31.7	36.8	.2	155.3
1939-40	76.6	45.0	6.6	41.1	40.9	.1	210.3
1940-41	23.9	13.5	5.7	17.9	21.1	.1	82.2
1941-42	48.5	47.0	3.0	30.5	37.5	.1	166.6
1942-43	51.7	41.8	5.0	36.5	20.6	.1	155.7

/The yields.....

The yields per acre in Australia in the last three seasons were: 6.5 bushels in 1940/41, 13.81 bushels in 1941/42 and 16.78 bushels in 1942/43, as compared with an average yield of 12.14 bushels in the ten years ended 1941/42. Yields per acre in N.S.W. in corresponding years were 5.37 bushels, 12.22 bushels and 17.04 bushels and in the ten years ended 1941/42 the average annual yield was 12.85 bushels per acre.

The estimated acreage to be harvested for grain in Australia in 1943/44 is almost 1 m. acres less than in 1942/43 and 4.32 m. acres less than in 1940/41, the year preceding the introduction of the wartime stabilisation plan.

The wartime stabilisation plan provides also for (1) acquisition and disposal of all wheat by the Australian Wheat Board (as in earlier war years) (2) payment of a guaranteed price to farmers, and (3) continuation of the Commonwealth tax on flour by means of which the price of flour for home consumption is stabilised at the price to be charged if wheat were 5s.2d. per bushel at seaboard.

The price guaranteed to growers for the 1941/42 wheat harvest was 3s.10d. per bushel f.o.b. ports for bagged wheat (bulk wheat 3s.8d. per bushel). From this price the grower was required to pay costs of receiving, handling, rail freight, storage and placing on shipboard.

For wheat of the 1942/43 and 1943/44 harvests the price has been fixed at 4s. net per bushel of bagged wheat (3s.10d. for bulk) at growers siding for the first 3,000 bushels of wheat produced, costs of handling and freight being paid from the Wheat Pool. Where a grower's crop exceeds 3,000 bushels, an advance of 2s. net per bushel for bagged wheat (2d. less for bulk) at growers siding is paid on the excess pending realisation by the Wheat Board.